

VZCZCXRO4847
RR RUEHGA RUEHHA RUEHQU RUEHVC
DE RUEHMT #0365/01 0871546
ZNR UUUUU ZZH ZDS
R 282107Z MAR 06
FM AMCONSUL MONTREAL
TO RUEHC/SECSTATE WASHDC 9505
INFO RUCNCAN/ALCAN COLLECTIVE

UNCLAS SECTION 01 OF 03 MONTREAL 000365

SIPDIS

SIPDIS

C O R R E C T E D C O P Y (REMOVED COMMENT REMARK PARA 10)

Ref: Ottawa 406, 05 Ottawa 2970

SECSTATE FOR WHA/CAN, WHA/PD, DS/IP/WHA

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [KIPR](#) [CA](#)

SUBJECT: IPR in Montreal Part 1 - An International Hub for
Movie Piracy

MONTREAL 00000365 001.2 OF 003

This message is Sensitive but Unclassified

11. (U) Summary. As of May 2005, nearly 50% of the world's pirated movies, and 78% of illegal camcording in Canada, could be traced back to seventeen Montreal theaters. The combination of first-world release dates, simultaneous bilingual release of movies, sophisticated camera technology, and the lack of anti-camcording laws in the criminal code make the city an appealing first step in the pirating chain. Camcording and file sharing have had an impact on the local film and music industries in Quebec, prompting a growing awareness and political activism among certain stakeholders of the importance of combating IPR violations. The Canadian Motion Picture Distributors Association (CMPDA) has undertaken efforts to combat illegal camcording, and specifically noted to us the "big impact" that Canada's placement on the 301 Watch List has had in reaching Canadian Federal government officials. CMPDA and other movie and music industry stakeholders continue to push the Canadian federal government and the RCMP to make IPR protection a priority. End summary.

Camcorded in Montreal, on Big City streets worldwide six
hours later

12. (U) Camcording in Montreal theaters provides material for nearly half of pirated disks throughout the world. Through the reliability and high speed of Montreal's Internet services pirated materials reach potential viewers fast: a film can be recorded for the first time in a Montreal theater and be sold on another country's big city streets within six hours that same day. Moreover, illegal camcording thrives in Montreal because movies have "first world" release dates, releases are available simultaneously in French and English, and there are no anti-camcording laws in Canada's criminal code.

13. (SBU) Serge Corriveau, Vice-President of Anti-Piracy operations at the Canadian Motion Picture Association's Montreal division, confirmed that as of May 2005, approximately 40%-50% of the pirated movies available around the world could be traced back to Montreal theaters. Each movie released to theaters contains an identifying "watermark" which can be used to trace pirated movies to the theater where they first played. Illegal camcording began in earnest in Montreal theaters in 2003 and has been

steadily growing in popularity. In 2003, there were only three reported incidents of illegal camcording, whereas in 2005 there were 57 reported incidents. Despite this growth trend, Corriveau explained that in recent months, there has been a slight decrease in the overall percentage of Montreal-born pirated films worldwide due to an increase in illegal camcording activities in Europe which he attributed to pirates' having access to sound technology that creates better-quality DVDs. Corriveau believes this shift is not indicative of an IPR victory and that illegal camcording in Montreal will continue to be a problem.

14. (U) Movie pirates in Montreal have become increasingly bold and adept at filming secretly because recording devices have become smaller and harder to detect, and also as a result of the absence of deterring provisions in the criminal code. The camcorders of choice in Montreal theaters are extremely small and nearly invisible. (They don't have a light that can be seen in the dark of the movie house.) Especially in Quebec, theater owners are reluctant to search moviegoers' bags, except during large-scale premieres, for fear they will turn off potential customers and be accused of violating privacy and civil liberties. Even more frustrating for IPR proponents such as Corriveau, while there are provisions against camcording in movie theaters in Canada's copyright code, law enforcement officials must prove "commercial intent" on the part of the person filming the movie who may claim that he or she is only filming for personal use.

Challenges: Small, well-organized groups / Jurisdiction
Issues

15. (SBU) The recording and distributing of camcorded movies in Montreal consists of "small, well-organized" pirating groups. These groups principally operate out of their homes, which makes it even harder for law enforcement officials to overcome privacy laws and gather enough

MONTREAL 00000365 002.2 OF 003

evidence to make a strong case against those making illegal DVDs, software, and music. Because the protection of IPR falls to the Department of Industry and the Department of Canadian Heritage, and is therefore a federal jurisdiction, the Royal Canadian Mounted Police (RCMP) alone has the authority in Quebec to go after IPR violators. Local police may be called onto the scene of a potential IPR violation, but they do not have the mandate to pursue these cases. Corriveau added that, with the exception of Toronto and Vancouver, it had been difficult for the CMPDA to get local police involved in IPR violations.

16. (SBU) There are no provisions against camcording in movie theaters in Canada's criminal code, something that the CMPDA would like to see changed. Canadian Customs officials also lack the mandate to seize pirated goods if they discover them on travelers or to inform the copyright holder of the presence of pirated goods. The CMPDA also complained about the problem of "ex officio" authority and is pressing the Canadian federal government to give Customs officials the mandate to seize pirated goods when they discover them.

17. (U) A recent case brought against a Montreal-based man filming movies in a Chicoutimi (a small town north of Montreal) theater will go to trial later this year. This was an example of industry-law enforcement cooperation the CMPDA is seeking. When the theater management was informed about the camcorded movies emerging from their premises, they conducted an internal investigation and tracked down the culprit. Although the man had erased his hard drive of all the movies he had recorded, the RCMP got involved and was able to find evidence of movie pirating on his computer.

¶8. (SBU) In 2004, the CMPDA a program to train theater employees to spot illegal camcorders. It provides cash rewards for employees who report illegal filming activity. In just the last seven months, theater employee efforts resulted in the discovery of four persons, one of which in Quebec, engaging in illegal camcording. Informational spots to raise awareness about illegal camcording and IPR which have played in US theaters and the rest of Canada have not yet aired in Quebec because they are only available in English. Although Canada has been on the Watch List from 1989-1992 and again from 1995-2005, Mr. Corriveau stated that Canada's placement on the 301 "Watch List" in 2005 and recommendation for an "out of cycle review" had a "big impact" on his contacts in the Canadian government. "It was as though they were hearing about the watch list for the first time," he added.

Comment

¶9. (U) In 2005, Quebecois films occupied 18% of the province's local box office market, a percentage that, outside the United States, can only be rivaled by France. Quebecois music has fared even better on the local market, monopolizing some 38% of all CD sales. More than half of the twenty largest musical successes between 2002 and 2004 were local creations. This economic reality and point of Quebecois pride will continue to make Quebec's film industry stakeholders concerned about pirated movies since Quebecois films and CDs are being copied and sold at Montreal-area flea markets just like the Hollywood movies and big-label music artists.

¶10. (SBU) Those at the CMPDA's Montreal office and the association representing producers of local films remain hopeful that new Federal Minister of Industry Maxime Bernier (who hails from Quebec) will be open to making IPR amendments to the criminal code and giving Customs the mandate to do more with pirated goods detected at ports of entry. The CMPDA will continue to push for the implementation of an anti-camcording law in the criminal code with the Departments of Industry and Heritage. The local popularity of Quebec's music and film industry place it in a unique position to highlight the impacts of IPR violations on smaller artists who are not internationally recognized. The lack of anti-camcording provisions in Canada's criminal code combined with the RCMP's reluctance to make IPR violations a law enforcement priority will, for

MONTREAL 00000365 003.2 OF 003

the time being, hamper efforts to make real progress towards increased IPR protection in Canada. In Quebec, at least, the involvement of local stakeholders may serve as a wake up call for the federal government as to the importance of the issue for local talent.

Marshall